

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

AUTHORS GUILD, DAVID BALDACCI,
MARY BLY, MICHAEL CONNELLY,
SYLVIA DAY, JONATHAN FRANZEN,
JOHN GRISHAM, ELIN HILDERBRAND,
CHRISTINA BAKER KLINE, MAYA
SHANBHAG LANG, VICTOR LAVALLE,
GEORGE R.R. MARTIN, JODI PICOULT,
DOUGLAS PRESTON, ROXANA
ROBINSON, GEORGE SAUNDERS, SCOTT
TUROW, and RACHEL VAIL, individually and
on behalf of others similarly situated,

Plaintiffs,

v.

OPENAI INC., OPENAI OPCO LLC, OPENAI
GP LLC, OPENAI LLC, OPENAI GLOBAL
LLC, OAI CORPORATION LLC, OPENAI
HOLDINGS LLC, OPENAI STARTUP FUND
I LP, OPENAI STARTUP FUND GP I
LLC, OPENAI STARTUP FUND
MANAGEMENT LLC, and MICROSOFT
CORPORATION,

Defendants.

JONATHAN ALTER, KAI BIRD, TAYLOR
BRANCH, RICH COHEN, EUGENE LINDEN,
DANIEL OKRENT, JULIAN SANCTON,
HAMPTON SIDES, STACY SCHIFF, JAMES
SHAPIRO, JIA TOLENTINO, and SIMON
WINCHESTER, on behalf of themselves and all
others similarly situated,

Plaintiffs,

v.

OPENAI, INC., OPENAI GP, LLC, OPENAI,
LLC, OPENAI OPCO LLC, OPENAI GLOBAL
LLC, OAI CORPORATION, LLC, OPENAI
HOLDINGS, LLC, and MICROSOFT
CORPORATION,

Defendants.

Case No. 1:23-cv-08292-SHS;
Case No. 1:23-cv-10211-SHS;
Case No. 1:24-cv-00084-SHS.

**STIPULATION AND ORDER
STRIKING CLASS
ALLEGATIONS IN THE
BASBANES COMPLAINT AND
SETTING FORTH A CASE
SCHEDULE**

NICHOLAS A. BASBANES and NICHOLAS
NGAGOYEANES (professionally known as
Nicholas Gage), individually and on behalf of all
others similarly situated,

Plaintiffs,

v.

MICROSOFT CORPORATION, OPENAI,
INC., OPENAI GP, L.L.C., OPENAI
HOLDINGS, LLC, OAI CORPORATION,
LLC, OPENAI GLOBAL, LLC, OPENAI,
L.L.C., and OPENAI OPCO, LLC,

Defendants.

STIPULATION AND ORDER REGARDING BASBANES LITIGATION

This stipulation is made by and among Interim Co-Lead Class Counsel for the Author Classes on behalf of the Author Plaintiffs¹; Counsel for Nicholas A. Basbanes and Nicholas Ngagoyeanes (professionally known as Nicholas Gage) (collectively, “*Basbanes* Plaintiffs”, and together with Author Plaintiffs, “Plaintiffs”); and Counsel for OpenAI, Inc., OpenAI OPCO LLC, OpenAI GP LLC, OpenAI LLC, OpenAI Global LLC, OAI Corporation LLC, OpenAI Holdings LLC, OpenAI Startup Fund I LP, OpenAI Startup Fund GP I LLC, OpenAI Startup Fund Management LLC (collectively “OpenAI”) and Microsoft Corporation (collectively “Defendants” and, together with the Plaintiffs, the “Parties”).

WHEREAS, on September 19, 2023 and November 21, 2023 the Author Plaintiffs filed their respective initial fiction and non-fiction Class Action Complaints; and the Author Plaintiffs then together filed their First Consolidated Class Action Complaint on February 5, 2024 against Defendants (Dkt. No. 69²);

WHEREAS, on January 5, 2024, the *Basbanes* Plaintiffs filed a Class Action Complaint, No. 1:24-cv-00084-SHS, against Defendants (*Basbanes* Dkt. No. 1);

WHEREAS, on February 6, 2024, this Court appointed the law firms Lieff, Cabraser, Heimann & Bernstein LLP, Susman Godfrey LLP, and Cowan DeBaets Abrahams & Sheppard

¹ Author Plaintiffs are Jonathan Alter, Authors Guild, David Baldacci, Mary Bly, Kai Bird, Taylor Branch, Rich Cohen, Michael Connelly, Sylvia Day, Jonathan Franzen, John Grisham, Elin Hilderbrand, Christina Baker Kline, Maya Shanbhag Lang (pending her dismissal), Victor Lavalle, Eugene Linden, George R.R. Martin, Daniel Okrent, Jodi Picoult, Douglas Preston, Roxana Robinson, Julian Sancton, George Saunders, Hampton Sides, Stacy Schiff, James Shapiro, Jia Tolentino, Scott Turow, Rachel Vail, and Simon Winchester.

² References to “Dkt.” refer to the *Authors Guild et al. v. OpenAI et al.* matter, No. 1:23-cv-08292-SHS, unless otherwise indicated to refer to the *Basbanes* matter.

LLP as Interim Co-Lead Class Counsel of the Author Classes, and consolidated for pretrial purposes the *Basbanes* action with the Author action (Dkt. No. 70; *Basbanes* Dkt. No. 32);

WHEREAS, Counsel for *Basbanes* has informed Interim Co-Lead Class Counsel and Counsel for Defendants that he intends to proceed on an individual basis for the claims of Messrs. Basbanes and Gage; and

WHEREAS, on September 13, 2024, the Court directed the parties to “file a joint stipulation, if possible, by **September 27, 2024**, regarding the potential dismissal of certain claims” in the above-referenced matter, stayed this case until September 27, 2024, and, in the same order (Dkt. No. 202), granted an extension of time for fact discovery until December 20, 2024;

NOW, THEREFORE, in the interests of effectuating the Court’s prior rulings, and adding further clarity and efficiency into the schedule, it is here by Stipulated and Ordered as follows:

1. The Rule 23 allegations in the *Basbanes* Complaint, *Basbanes* Dkt. No. 1, namely, Paragraphs 120-132 and Paragraphs 149 (a)-(c), are hereby **DISMISSED**;

2. Within two weeks of a ruling on class certification in the consolidated class action litigation brought by the Author Plaintiffs, counsel for the *Basbanes* Plaintiffs and counsel for Defendants will confer regarding future proceedings, if any, for the *Basbanes* litigation and submit a joint statement to the Court within one week of the aforementioned conferral; and

3. The *Basbanes* case is **STAYED** pending issuance of a Court order following the joint submission referenced in Paragraph 2 above.

Dated: September 26, 2024 SO STIPULATED AND AGREED,

/s/ Rachel Geman

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Attorneys for Microsoft Corporation

SO ORDERED:

Date: 9/30/2024



Judge Ona T. Wang